

Photographers are subject to Retailers' Occupation Tax on the photoprocessing component of their total service charge when they sell products of photoprocessing. See 86 Ill. Adm. Code 130.2000. (This is a GIL).

April 23, 1999

Dear Mr. Xxxxx:

This letter is in response to your letter dated February 20, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

We have a client who is in the graphic/photographic arts business. This inquiry is to clarify the rules for reporting and paying the applicable Illinois Sales and Use tax.

The specific question which applies to our client is as follows:

Our client buys film which is to be used to produce photographs and is charged a sales tax fee at the time of purchase for the film. The film that was purchased is used to produce photos that are sold for personal use to members of the general public. With regards to the above stated transaction, is the Illinois Sales and Use tax applicable for the sale of the 'finished' film to the general public?

If you have any questions, feel free to call.

The Retailers' Occupation Tax Act imposes a tax upon "persons engaged in the business of selling at retail tangible personal property, including computer software, and including photographs, negatives, and positives that are the product of photoprocessing, but not including products of photoprocessing produced for use in motion pictures for public commercial exhibition." 35 ILCS 120/2. The state rate is 6.25% plus applicable local taxes.

The Use Tax Act imposes a tax upon "the privilege of using in this State tangible personal property purchased at retail from a retailer, including computer software, and including photographs, negatives, and positives that are the product of photoprocessing, but not including products of photoprocessing produced for use in motion pictures for commercial exhibition." 35 ILCS 105/3. The state rate is also 6.25%.

Please find enclosed a copy of 86 Ill. Adm. Code 130.2000 concerning Persons Engaged in the Printing, Graphic Arts or Related Occupations, and Their

Suppliers. Photographers are subject to Retailers' Occupation Tax on the photoprocessing component of their total service charge when they sell products of photoprocessing. Such products of photoprocessing include prints, photographic reproductions, and microfilm. In transactions in which products of photoprocessing are sold in conjunction with other services, if a charge for the photoprocessing component is not separately stated, tax is imposed on 50% of the entire selling price unless the sale is made by a professional photographer, in which case tax shall be imposed on 10% of the entire selling price.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:msk  
Enc.